

**MONTANA PUBLIC SERVICE COMMISSION
UTILITY DIVISION
AGENDA NO. 06-02-28**

Date Published: February 23, 2006
For Work Week Commencing: February 27, 2006
Commission Meeting: February 28, 2006, 9:00 a.m.

General Introduction This agenda is the Commission's Utility Division agenda for the work week designated. In the later part of each week (generally, Thursday by 2:00 p.m.) prior to the work week to which an agenda pertains, the agenda is posted on the public information bulletin board at the Commission offices, deposited in the mail directed to all persons who have properly requested notice by mail, emailed to all persons who have properly requested notice by email, and posted to the Public Service Commission's worldwide web site located at <http://www.psc.mt.gov>.

Place of Meetings All meetings are held at the Commission offices, 1701 Prospect Avenue, Helena, Montana, unless otherwise noted.

Inquiries General inquiries concerning this Utility Division agenda and subscribing to notice by mail may be made to Kate Whitney at (406) 444-3056. She may refer inquiries to another person within the agency.

Accommodation for Persons with Disabilities Anyone needing an accommodation for physical, hearing, or sight impairment in order to attend a scheduled meeting should contact the Commission secretary at (406) 444-6199 sufficiently prior to the meeting to allow accommodations to be made.

9:00 a.m. Weekly Scheduling (Commission Conference Room)

9:30 a.m. Business (Bollinger Room)

Public Comments

Action Items All items identified below are for action at the Commission business meeting.

1. NORTHWESTERN ENERGY N2006.2.16 (Leroy)

On February 6, 2006, NWE filed Tariff Letter No. 113-E to revise electric tariff rules to reflect the current effective income tax factor of 30 percent on customer line extensions and installations. This is a decrease from the present 33 percent income tax factor. These tariffs are effective for services on or after February 1, 2006. Probable Motion – Approve N2006.2.16.

2. NORTHWESTERN ENERGY N2006.2.17 (Leroy)

On February 6, 2006, NWE filed Tariff Letter No. 99-G to revise gas tariff rules to reflect the current effective income tax factor of 30 percent on customer line extensions and installations. This is a decrease from the present 33 percent income tax factor. These tariffs are effective for services on or after February 1, 2006. Probable Motion – Approve N2006.2.17.

3. NORTHWESTERN ENERGY N2006.2.18 (Leroy)

On February 6, 2006, NWE filed Tariff Letter No. 8-P to revise propane tariff rules to reflect the current effective income tax factor of 30 percent on customer line extensions and installations. This is a decrease from the present 33 percent income tax factor. These tariffs are effective for services on or after February 1, 2006. Probable Motion – Approve N2006.2.18.

4. NORTHWESTERN ENERGY D2005.10.161 (Eric)

On February 15, 2006, NorthWestern Energy (NWE) filed an amended application to refinance and to borrow the proceeds from the sale of not to exceed \$170,205,000 principal amount of Pollution Control Revenue Refunding Bonds Series 2005. The original application in this Docket was approved by the Commission in Order No. 6698 which was approved November 8, 2005. That Order required that the effective interest rate for the transaction not exceed 5 percent. The amended application seeks approval for NWE to consummate this transaction if the effective interest rate equals or is less than the current effective rate of the securities of 6.22 percent. A default order on the amended application has been drafted. Probable Motion: Grant NWE's amended application to refinance the Pollution Control Revenue Refunding Bonds Series 2005 in the amount of \$170,205,000.

Work Sessions All items identified below are for Commission discussion or action on the day designated.

1. D2005.6.105 – PSC Initiated – PSC investigation of Qwest's use of federal USFs – Discussion, direction, action on motion for protective order, other matters as necessary. (2/28/06)
2. N2006.2.13 – Electric City Power, Inc. – Application for license to supply electricity – Discuss/act on application. (2/28/06)
3. N2006.2.19 – NorthWestern Energy – Accounting Order for Organizational Costs of Grid West – Consider accounting order. (2/28/06)

4. D2005.4.48 – Havre Pipeline Company – Application to Revise and Unbundle its Interruptible Transportation Natural Gas Service, to Establish an Interruptible Compression Service Rate and an Interruptible Transportation Service Rate, to Seek Approval for Reclassification of Assets - Discuss and act on final order in this matter. (2/28/06)
5. D2006.2.21 – NorthWestern Energy – Initial Abbreviated 2006 Natural Gas Procurement Plan – Discussion, direction, action on motion for protective order, other matters as necessary. (2/28/06)
6. D2005.5.87 – NorthWestern Energy – 2005 Gas Tracker – Prehearing discussion, as necessary, if necessary. (2/28/06)
7. NorthWestern Energy – Medical emergency rule application – Request for Commission's intervention in establishment of a customer payment arrangement. (2/28/06)
8. FERC ER99-3491, ER00-1284, ER00-2185, EL05-124 – PPL Montana – PPL Montana et al. application to FERC for market-based rate authority. (2/28/06)
9. Agency IT report; records management; EPP budget items – Review and approve IT plan and records management documents. General discussion of what should be included in our EPP request to the 2007 legislature. (2/28/06)

Other Meetings

2/28/06 1:30 p.m. – Hearing - D2005.5.87 - NorthWestern Energy Annual Gas Tracker (Bollinger Room)

3/1/06 9:00 a.m. – Hearing continued - D2005.5.87 - NorthWestern Energy Annual Gas Tracker (Bollinger Room)

Weekly Scheduling – Will be held at 9:00 a.m. on the day of the Commission Meeting

Notice Items All items identified below are noticed for public participation purposes. Unless otherwise stated in the text of the notice, the items will be action items on the next following agenda or a subsequent agenda and participation may be had by submitting written comments to the Public Service Commission, 1701 Prospect Avenue, P.O. Box 202601, Helena, Montana, 59620-2601, within 5 calendar days following publication of this agenda. Public comments on a noticed matter may also be submitted within the required time through the PSC's web-based comment form at <http://psc.mt.gov/Consumers/comments>. Comments should reference the docket number of the matter.

Protective Orders – Notice Items The Commission has received the following requests for protective order pursuant to ARM 38.2.5007. The Commission will rule on the requests no earlier than 10 days after the publication date of this agenda. Comments on the requests may be submitted at any time prior to ruling. Any person wanting a copy of a protective order request should contact the Commission at (406) 444-6199.

Protective Orders – Information Items The Commission has issued the following protective orders. These orders may be challenged pursuant to ARM 38.2.5008. Copies of these orders may be obtained by calling the Commission at (406) 444-6199

Information Items All items identified below are for information only.

New Filings Received in Past Week

D2006.2.23 – Qwest Corporation and Teton Communications – Wireline Interconnection Agreement